



United States Department of the Interior

MINERALS MANAGEMENT SERVICE
Alaska Outer Continental Shelf Region
949 East 36th Avenue, Suite 308
Anchorage, Alaska 99508-4363

15 NOV 2001

Ms. Dora I. Soria
Senior Landman
Phillips Alaska, Inc.
P.O. Box 100360
Anchorage, Alaska 99510-0360

**Cosmopolitan Unit
Cook Inlet, Alaska
Contract # 750102001X**

Dear Ms. Soria:

Phillips Alaska, Inc. submitted on August 10, 2001, the proposed Cosmopolitan unit agreement, unit operating agreement, and the First Plan of Exploration/Initial Plan of Operations for the Outer Continental Shelf (OCS) leases and the State of Alaska leases in the Cook Inlet, Alaska. The Federal OCS acreage for leases OCS-Y 1664 and OCS-Y 1665, as represented in Exhibits A and B, are committed to the Cosmopolitan Unit.


We consider the proposed area as a logical area for unitization and agree that this unit will ensure conservation of natural resources, prevention of waste, and/or protection of correlative rights including Federal royalty interest in accordance with 30 CFR 250.1300. The executed unit agreement is hereby approved and has been assigned unit agreement number 750102001X. The effective date of this agreement is 12:01 a.m. on the day after approval by both the Regional Supervisor, Field Operations and the Commissioner State of Alaska, Department of Natural Resources. Enclosure 1 is a copy of the certification-determination of the unit agreement, bearing the unit agreement number and the date of the Regional Supervisor's, Field Operations approval.

The initial State Plan of Exploration and Federal Unit Plan of Operation (unit plan) submitted with the Cosmopolitan Unit Agreement, dated August 10, 2001, in accordance with Article 8 of the unit agreement, is approved subject to the following conditions:

1. All work commitments identified in the unit plan must be completed within the time frame indicated, including the drilling of the Hansen #1 exploration well, prior to the 3-year anniversary of the effective date of the unit. Failure to conduct activities as outlined in the approved initial unit plan will result in termination of this unit agreement unless a new or modified plan has been approved.

2. A new unit plan must be approved in accordance with Article 8.1 prior to the end of the 3-year anniversary of the effective date of the unit in order to maintain the unit agreement beyond the 3-year period.
3. Approval of the initial unit plan does not authorize or permit any exploratory drilling activity on a Federal OCS lease. In accordance with Article 8.2, no exploratory drilling may occur on a Federal OCS lease until an Exploration Plan (EP) and an Application for Permit to Drill (APD) have been approved in accordance with 30 CFR 250.

Sincerely,


Jeff Walker
Regional Supervisor
Field Operations

Enclosure

cc: Commissioner, State of Alaska
Department of Natural Resources
550 West 7th Avenue, Suite 800
Anchorage, Alaska 99501-3510

Associate Director
Minerals Revenue Management, MS 3113
P.O. Box 5760
Denver, Colorado 80217-5760
(With copy of agreement)

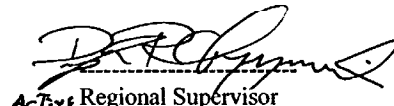
Certification-Determination

Pursuant to the authority vested in the Secretary of the Interior under the Outer Continental Shelf Lands Act, approved August 7, 1953, 67 Stat. 462, 43 U.S.C. 1331 et seq., as amended, and delegated to the Regional Supervisor, Field Operations of the Minerals Management Service, I do hereby:

- A. Approve the attached Agreement for the Cosmopolitan Unit, Cook Inlet, Alaska.
- B. Certify and determine that the unit plan of exploration contemplated in the attached Agreement is necessary and in the public interest for the purpose of more properly conserving natural resources, prevention of waste and protection of correlative rights, including federal royalty interests.

Dated:

November 15, 2001


Acting Regional Supervisor
Field Operations
Alaska OCS Region

Federal Contract: No. 750102001X